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VIA HAND DELIVERY

February 14, 2008

Hon. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

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PUBLIC SERVICE
COMMISSION

Re: The Applications of Big Rivers Electric Corporation for: (I) Approval of Wholesale Tariff Additions for Big Rivers Electric Corporation, (II) Approval of Transactions, (III) Approval to Issue Evidences of Indebtedness, and (IV) Approval of Amendments to Contracts; and of E.ON U.S., LLC, Western Kentucky Energy Corp. and LG&E Energy Marketing, Inc. for Approval of Transactions, PSC Case No. 2007-00455

Dear Ms. O'Donnell:

Enclosed for filing on behalf of Big Rivers Electric Corporation is a petition seeking confidential treatment of Big Rivers' responses to the initial data requests of the Commission Staff, the Attorney General, and Henderson Municipal Power & Light. One sealed copy of the unredacted responses, and six copies of the redacted responses are attached to this petition. A copy of this petition and the redacted responses have been served on all parties. Additionally, two sealed copies of the unredacted responses have been served on the Attorney General's Office of Rate Intervention with the understanding that the confidential information contained in the responses will be protected under the confidentiality agreement entered into between the Attorney General's Office and Big Rivers.

Sincerely,



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PSC CASE NO. 2007-00455

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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

THE APPLICATIONS OF BIG RIVERS)
ELECTRIC CORPORATION FOR:)
(I) APPROVAL OF WHOLESALE TARIFF)
ADDITIONS FOR BIG RIVERS ELECTRIC) CASE NO. 2007-00455
CORPORATION, (II) APPROVAL OF)
TRANSACTIONS, (III) APPROVAL TO ISSUE)
EVIDENCES OF INDEBTEDNESS, AND)
(IV) APPROVAL OF AMENDMENTS TO)
CONTRACTS; AND OF E.ON U.S., LLC,)
WESTERN KENTUCKY ENERGY CORP. AND)
LG&E ENERGY MARKETING, INC. FOR)
APPROVAL OF TRANSACTIONS)

**PETITION OF BIG RIVERS ELECTRIC CORPORATION
FOR CONFIDENTIAL TREATMENT**

Big Rivers Electric Corporation ("Big Rivers"), pursuant to 807 KAR 5:001 Section 7, respectfully petitions the Kentucky Public Service Commission ("Commission") to classify and protect as confidential certain information contained in Big Rivers' response to Item 40 of the Attorney General's Initial Request for Information to Joint Applicants; Big Rivers' responses to Items 22e and 46 of the Commission Staff's First Data Request to Big Rivers Electric Corporation; and Big Rivers' response to Item 6 of the Initial Data Request of Henderson Municipal Power & Light ("HMP&L"). In support of this petition, Big Rivers states as follows:

1. The information for which Big Rivers seeks confidential treatment are reports prepared by Hill & Associates, Inc. for Big Rivers analyzing the terms and conditions of a number of fuel, transportation, and reagent contracts to which Western Kentucky Energy Corporation ("WKEC") is a party, which reports are contained in Big Rivers' response to AG Item 40; WKEC's fuel cost data contained in Big Rivers' response to Commission Staff Item 46; price projections from Aces Power Marketing ("APM") contained in Big Rivers' response to Commission Staff Item 22e; and production cost information contained in Big Rivers' response

to HMP&L Item 6 (collectively, the "Confidential Information"). Each of these items is discussed below.

2. One (1) copy of the responses containing the Confidential Information and six (6) copies of the responses with the Confidential Information redacted, are attached to this petition. For the responses to Attorney General Item 40 and HMP&L Item 6, the Confidential Information is included as exhibits to the unredacted copy of the responses, and those exhibits are removed from the redacted copies of the responses. For the responses to Commission Staff Items 22e and 46, the Confidential Information is highlighted with transparent ink on the unredacted copy of the responses, and the Confidential Information is obscured in the redacted copies of the responses. 807 KAR 5:001 Section 7(2)(a)(2) and 7(2)(b).

3. If and to the extent that any of the Confidential Information becomes generally available to the public, whether through filings required by other agencies or otherwise, Big Rivers will notify the Commission and have its confidential status removed. 807 KAR 5:001 Section 7(9)(a).

4. A copy of this petition and the redacted responses have been served on all parties. 807 KAR 5:001 Section 7(2)(c).

5. Response to AG Item 40. Big Rivers seeks confidential treatment of reports prepared by Hill & Associates, Inc. for Big Rivers analyzing the terms and conditions of a number of fuel, transportation, and reagent contracts to which WKEC is a party, which reports are contained in Big Rivers' response to Attorney General Item 40. These contracts will be assigned to Big Rivers at the closing of the transaction that is the subject matter of this proceeding (the "Unwind Transaction"). WKEC filed these contracts in this proceeding under a petition for confidential treatment ("WKEC Petition"), which the Commission granted by letter dated January 10, 2008. As noted in the WKEC Petition, the disclosure of the terms and conditions of these contracts "could cause WKEC significant competitive harm," including permitting "WKEC's competitors and other fuel suppliers to learn the quantities and types of fuel purchased by WKEC, to WKEC's competitive detriment." WKEC Petition at 2; *see also id.* ¶¶

2-3. As such, the reports fall within a category of commercial information “generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors” of WKEC. *See* KRS 61.878(1)(c)(1); 807 KAR 5:001 Section 7(2)(a)(1); WKEC Petition ¶¶ 2-3. Moreover, the information contained in the reports is not publicly available, is not known outside of Big Rivers and WKEC, and is not disseminated within Big Rivers except to those employees and professionals with a legitimate business need to know and act upon the information.

6. Response to Commission Staff Item 46. Big Rivers seeks confidential treatment of WKEC’s fuel cost data contained in Big Rivers’ response to Commission Staff Item 46. As with the Hill & Associates reports, the disclosure of the fuel cost data could cause WKEC significant competitive harm in relation to its competitors and fuel suppliers, and the data falls within a category of commercial information “generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors” of WKEC. *See* KRS 61.878(1)(c)(1); 807 KAR 5:001 Section 7(2)(a)(1). The data is not publicly available, is not known outside of Big Rivers and WKEC, and is not disseminated within Big Rivers except to those employees and professionals with a legitimate business need to know and act upon the information.

7. Response to Commission Staff Item 22e. Big Rivers seeks confidential treatment of market price projections prepared by APM and contained in Big Rivers’ response to Commission Staff Item 22e. APM operates in a competitive environment, and uses this data to evaluate the wholesale competitive pricing of third party energy products for its clients, and to make recommendations about the wholesale competitive pricing of such third party products to its clients. The projections fall within a category of commercial information “generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors” of APM. *See* KRS 61.878(1)(c)(1); 807 KAR 5:001 Section 7(2)(a)(1). Moreover, the projections are not publicly available, are not known outside of Big Rivers and other APM members, and are not disseminated within Big Rivers except to

those employees and professionals with a legitimate business need to know and act upon the information.

8. Response to HMP&L Item 6. Big Rivers seeks confidential treatment of records and other information relating to the operation, upkeep, maintenance and repair of a generating plant owned by the City of Henderson known as Station Two, which information is contained in Big Rivers' response to HMP&L Item 6. Prior to 1998, Big Rivers performed operation and maintenance services with respect to Station Two, and purchased power produced by Station Two in excess of the needs of the City of Henderson, pursuant to a series of 1970 contracts (the "Station Two Contracts"). In 1998, Big Rivers assigned its contractual rights and obligations under the Station Two Contracts to WKE Station Two Inc., which has since been merged into Western Kentucky Energy Corporation ("WKEC"), although Big Rivers was not released from its obligations under the Station Two Contracts. If the Unwind Transaction is approved and closes, Big Rivers will once again assume the operation and maintenance of Station Two. Big Rivers and WKEC operate in a competitive marketplace for wholesale power and the public disclosure of sensitive records and information relating to the operation and maintenance of Station Two would place them at a severe competitive disadvantage among other wholesale power generators with which they compete, and would provide an unfair advantage to their suppliers. As such, the records and information fall within a category of commercial information "generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors" of Big Rivers and WKEC. *See* KRS 61.878(1)(c)(1); 807 KAR 5:001 Section 7(2)(a)(1). Moreover, the records and information are not publicly available, are not known outside of Big Rivers and WKEC, and are not disseminated within Big Rivers except to those employees and professionals with a legitimate business need to know and act upon the information.

WHEREFORE, Big Rivers respectfully requests that the Commission classify and protect as confidential the Confidential Information filed with this petition.

On this the 14th day of February, 2008.



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